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ABSTRACT

In response to a legislative inquiry, a study was conducted by the Washington State Board for Community College Education (SBCCE) to determine the adequacy of policies and laws governing the state funding classification of community college courses. During the study, the SBCCE examined the extent to which the colleges were financing courses with a combination of state and other funds and researched study questions related to: (1) the degree to which colleges should be legally authorized to finance courses with a combination of funds from various sources; (2) the extent and adequacy of SBCCE's statutory authority to regulate the funding status of courses; (3) the legitimate sources of federal or private funds that may supplement state funds; (4) the application of a discount against full-time equivalent enrollment generated by courses using a combination of funds; (5) the adequacy of SBCCE's funding definitions; (6) the feasibility of using alternative, non-formula state funding for programs which cannot be fully supported by statutory appropriations; (7) changes needed in the management information system (MIS); and (8) appropriate course funding status categories. The study report defines terms, discusses the history of course classification in the system, summarizes the answers to the research questions, and outlines recommendations. Information from other states and recommended statutory and MIS changes are appended. (JP)

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STATE BOARD FOR COMMUNITY COLLEGE EDUCATION
Olympia, Washington

January 6, 1981

FUNDING STATUS OF COMMUNITY COLLEGE COURSES

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TERMS USED IN THIS REPORT

FUNDING STATUS - The classification of community college courses into categories that indicate whether they are eligible to receive financial support from appropriated state funds.

STATE FUNDING - Funds appropriated by the legislature for the specific purpose of supporting courses, classes, or programs offered by a community college.

SUPPLEMENTAL FUNDING - Restricted funds provided on the basis of an agreement between a college district and a cooperating agency or organization for the purpose of augmenting current state fund support for particular courses, classes, or programs that (a) have extraordinary costs, (b) are conducted by employees who are under the instructional and curricular supervision of the college, and (c) in the judgment of the district board of trustees could not be offered without such supplemental funding.

SHARED FUNDING - Funds provided on the basis of an agreement between a college district and a cooperating agency or organization and combined with state fund support for particular courses, classes, or programs that (a) have costs within current state funding levels, (b) are conducted by employees who are under the instructional and curricular supervision of the college, and (c) in the judgment of the district board of trustees could not be offered without such shared funding because of the unavailability of sufficient state funding.

SELF-SUPPORT - Courses, classes, or programs for which the full direct and indirect costs are derived from fees charged to enrollees.

FUNDING STATUS OF COMMUNITY COLLEGE COURSES

Purpose of the Report

On June 20, 1980, members of the staff of the State Board for Community College Education met with the House Committee on Higher Education. The purpose of the hearing was to provide a response to an inquiry by the Committee regarding community college courses that were supported by a combination of state-appropriated funds and supplemental funding obtained by the college directly from some other state agency or private entity. As a result of that hearing, the Committee directed the SBCCE staff to prepare a report with recommendations for statutory or rule changes that would regulate such mixed funding of college courses.

Following the hearing, State Director John Terrey appointed a staff committee to prepare a proposed response to the House Committee. The staff committee prepared a project outline that was reviewed by the State Board and the presidents of the various community colleges and districts. The outline listed the following four objectives for the project:

1. Examine existing statutes, rules and policies to determine the adequacy of legal authority, comprehensiveness of rules and clarity of policy regarding the funding status of community college courses and services.

2. Ascertain the extent of college offerings that are operated on a combination of supplemental or shared and state funding.

3. Identify inconsistencies in the classification of courses with respect to their funding status.

4. Recommend amendments or additions to statutes, rules or policies governing funding status of courses or services.

Summary of Recommendations

The investigation in response to the request by the House Higher Education Committee has led to the following recommendations:

1. RCW 28V.50.140(17) should be amended to give the State Board authority to approve and regulate community college services that are supported by supplemental funding or shared funding from other public or private agencies or organizations.

2. The State Board's MIS-2 course funding codes and definitions should be revised and expanded to reflect current and porposed practices.

3. RCW 28B.50.090(7)(c) should be amended to provide the State Board with specific authority to regulate the classification of community college courses with respect to their eligibility to receive state fund support.

4. RCW 28B.15.500 should be amended to include "community service" courses in the list of courses subject to State Board rules regarding tuition and fee charges.

Appendix B of this report contains proposed amendments that would implement these recommendations.

Background

Washington's community colleges became members of a statewide system on April 3, 1967--the effective date of the Community College Act of 1967. Prior to that time and for several years following their redesignation as community colleges, the institutions were accorded state funding support based upon the aggregation of enrollment data (FTE students) and a fixed-dollar reimbursement per FTE student. Enrollments were categorized into four groups---academic, vocational, adult education and community service. FTEs produced in each category received the fixed-dollar-amount reimbursement, except that vocational FTEs were weighted at 1.5 for reimbursement purposes.

Since 1968 the State Board has required colleges to classify all courses offered, among other things, according to the source of funding (funding status) used to support each course, whether state, federal, or fees paid by students enrolled. Ultimately, the development of fund distribution techniques that recognized course cost differentials provided the basis for discontinuing the arbitrary weighting of vocational course enrollments.

The most appropriate funding status for a community college course is determined within the context of existing public policy of Washington. That policy is set forth in the opening sections of the Community College Act of 1967. These sections direct that the college system, under the general supervision of the State Board, shall offer comprehensive educational services (academic transfer, occupations and community services) to "every citizen, regardless of his academic background or experience, at a cost normally within his economic means..."

The basic philosophy of the Community College Act--low-cost, open-door, comprehensive-program institutions--has remained unchanged since originally established, even though the legislature has had numerous opportunities to review it. There have been, however, several policy and operational constraints that have affected the ability of community colleges to deliver fully the services contemplated by the statute.

The fact that since 1971 the state has not provided funding support for community service courses or activities is one of the most significant operational constraints. The state's "enrollment contract" policy had inhibited the ability of colleges to respond fully to demands for services by placing an absolute maximum of the fundable enrollment base. Restrictions have been placed upon recruiting and informational activities that make citizens aware of college offerings. Revenue from operating and special fees is no longer available to provide colleges with a more flexible funding base. Limitations have been placed upon internal transfers of funds among operating budget programs.

Constraints like those cited above have encouraged colleges to seek alternative ways of providing services to their communities. Authority to provide educational services by contract at full cost to the recipients was sought and received. Opportunities to cooperate and combine available resources with other agencies, both public and private, were identified and pursued. Extensive efforts have been made to obtain federal and foundation grants as a means of providing needed services. In addition, colleges have been receptive to contributions of supplies, materials, rent-free facilities, and human resources from outside agencies interested in supporting college programs.

Practices such as these have raised questions about the appropriateness and legal basis for accepting and utilizing funding that is supplemental to that

provided through the legislative appropriation for college operations. These questions also prompted an investigation into the adequacy of the MIS procedures and definitions by which the State Board monitors the funding status of college courses. This report contains a discussion of several key questions related to supplemental funding and MIS definitions. Recommendations about needed internal operation and statutory change are made.

The overall objective of this report is to suggest conditions, within the public policies established by the legislature, under which community colleges can provide a continuing high level of service to Washington citizens. Measures of that service and a correspondingly high level of public support for broad-based community college programs can be found in the State Board publication, Washington Community College Study (August 1980).

Responses to Study Questions

As a means of developing a response to the House Higher Education Committee request, a number of study questions were posed by the staff committee. The responses to these questions are the basis for the recommendations made in this report.

1. To what degree should community colleges have the capability to offer courses or services operated on the basis of combined supplemental and state funding? The community colleges are frequently asked by businesses, industrial firms, and private organizations to offer special-interest instructional programs or services. Such activities are well within the broad public responsibilities of the colleges as set forth in the Community College Act of 1967. Because such requests are typically difficult to anticipate, they cannot be effectively integrated into the long-range academic and budget planning activities of the college.

In 1977 the system sought and received statutory authority for colleges to offer educational programs and services to private and public entities on a contractual basis. [See RCW 28B.50.140(16) and WAC 131-28-027.] This statute and its implementing rules prohibit colleges from receiving state funding support for courses offered on the basis of contract and require the college to charge the client organization the full cost of the offering. Unfortunately, there are

frequent instances when desirable and needed educational services connot be provided under this agreement. The requesting parties cannot (or will not) pay the full cost of the service either because of insufficient resources or because, as taxpayers, they feel they are entitled to some measure of service, without additional direct cost, from a tax-supported educational institution. The colleges, on the other hand, cannot always provide the service because of budgetary limitations.

In much the same sense, public agencies that seek to achieve objectives that are compatible with those of community colleges may find that only through combination of the resources of the two agencies can those objectives be achieved to the desired degree. The principle of inter-agency cooperation has found expression in law through a number of statutes, most notably chapter 39.34 RCW, the Interlocal Cooperation Act. Community college and K-12 districts are specifically authorized to share resources by RCW 28B.50.530.

It is, therefore, a question of public policy whether such joint efforts are desirable and should be allowed. It is the conclusion of this report that such arrangements should be authorized to operate under the control and supervision of the State Board for Community College Education, when circumstances warrant. RCW 28B.50.140(17) should be amended to give the State Board authority to approve and regulate community college services that are supported by supplemental or shared funding from other public or private agencies or organizations. Enrollments from any such approved courses should be eligible for funding through the state appropriation to the college system. See Appendix B for proposed amendments and rules for implementing the supplemental and shared funding concepts.

2. Does SBCCE have authority to regulate the funding status designations of courses offered by colleges? Community college districts exercise their statutory duties and prerogatives under the "general control and supervision" of the State Board. Among its other powers and duties, the State Board is authorized by RCW 28B.50.090(7)(b) to "establish minimum standards to govern the operation of the community colleges with respect to . . .internal budgeting, accounting, auditing and financial procedures . . ." Pursuant to this authorization, the State Board has established a number of procedures, definitions and guidelines. Management information system definitions are the means by which the State Board has required colleges to identify courses taught with respect to both their subject matter and

their funding basis. The designation of funding status is the means by which the enrollments generated by any course are determined to be eligible or ineligible for state funding support.

Community college districts have clear authority to establish the curriculums and courses of study offered by the colleges. It has only been assumed that the matter of classifying those offerings within funding categories is subject to regulation by the State Board.

The funding status of the nearly 13,000 courses offered throughout the college system for the Fall Quarter, 1979, is described in the following table. Self-supporting community service and contractual course sections constituted less than six percent of the total instructional effort.

WASHINGTON COMMUNITY COLLEGES
NUMBER OF COURSES AND COURSE SECTIONS
BY COURSE FUNDING SOURCE
FALL QUARTER 1979

	Courses	Sections
State-Funded Academic and Occupational	12,172 (94.23%)	23,339 (94.16%)
Self-Supporting Community Service	532 (4.12%)	712 (2.87%)
Contractual	213 (1.65%)	736 (2.97%)
TOTALS	12,917 (100%)	24,787 (100%)

FTE student enrollments in self-supporting courses constituted a small proportion of the total enrollments. Fall Quarter, 1979, enrollment statistics described in the following table show that only 3.42 percent of the total FTEs generated were in non-state-funded courses.

WASHINGTON COMMUNITY COLLEGES
FTE STUDENT ENROLLMENTS BY COURSE FUNDING CODE
FALL QUARTER 1979

		Self-Supporting		
	State Funded	Contract	Other	Total
Academic	48,328	982	--	49,310
Occupational	45,089	1,082	--	46,171
Community Service	--	--	1,246	1,246
TOTALS	93,417 (96.58%)	2,064 (2.13%)	1,246 (1.29%)	96,728 (100.00%)

It is the conclusion of this report that additional statutory authority is necessary with respect to determination of the funding status of community college courses. Proposed changes are discussed in connection with the response to Study Question #6. Needed changes with respect to MIS definitions and procedures will be discussed in connection with the response to study questions #8 and #9.

3. What are the legitimate sources of federal or private funds that may supplement state funds? Federal vocational education funds constitute the major source of non-state support for community college educational programs. The federal acts specify that these funds can only be used to "supplement", not supplant state resources. Nearly $4.5 million was received by the college system for this purpose in FY 1980. In addition, a portion of the cost of instruction for adults who have not completed elementary or secondary school is assumed by federal Adult Basic Education funds that flow to the college system through the Superintendent of Public Instruction.

Community colleges are also authorized by RCW 28B.50.140(13) to:

> . . . receive such gifts, grants, conveyances, devises and bequests of real or personal property from private sources as may be made from time to time . . . and may sell, lease or exchange, invest or expend the same . . . and may adopt regulations to govern the receipt and expenditure . . .

It is not uncommon for community colleges to receive contributions of teaching materials, supplies, facilities and labor from individuals, organizations and agencies with a desire to advance and enrich the programs offered by the colleges.

This type of supplemental funding makes it possible for both the colleges and the donors to accomplish their commonly held purposes when neither would be able to do so in the absence of such cooperation. Any constraint that would make such courses ineligible for state support would destroy the basis for these cooperative efforts.

4. Is the use of "discounted" FTEs a possible means of accommodating courses operated on the basis of supplemental or shared funding and state fund combinations? Discounting of FTEs is an appropriate procedure in circumstances when shared funding occurs, but not under the concept of supplemental funding. The assumption is that even though the course has normal cost characteristics, the college has inadequate resources to provide the requested service. The discount applied against the FTEs generated by the course would be proportionate to the amount of the total cost of offering the course that is provided by the cooperating agency or organization.

5. Is the SBCCE definition of "community service" courses adequate? The principal use of a definition of "community service" is in determining whether a college course is eligible for state funding support. In that context, the definition must be accompanied by parallel definitions of "state funded" courses. As a part of its general review of course funding determinations which began in 1977, the State Board staff, with the assistance of a committee of college instructional deans, has developed additional criteria that define these two key terms.

The proposed definitional criteria are included in Appendix C of this report. Application of these criteria should ensure consistent determinations of the funding status of courses throughout the community college system.

6. Does SBCCE have adequate statutory authority to regulate the funding status of community service courses? Prior to the 1971-73 biennium, state funding was provided for all courses offered by community colleges--academic transfer, occupational and community service. The appropriations act for 1971-73 contained a proviso that:

> . . . all programs defined by the State Board as "community service" either be discontinued, or continued on the basis that fees be charged for these courses at a level commensurate with the direct instructional costs plus all supporting costs . . .

Although this restriction technically applied only to appropriations for the 1971-73 biennium, the college system accepted the self-supporting status of community service courses. The State Board adopted a rule in July 1971, requiring recovery of both direct and indirect costs for community service course offerings through the fee charged for such courses.

The legal status of the State Board rule that attempts to regulate community service course funding status by setting the fees for such courses has never been challenged. While RCW 28B.15.500 does authorize the State Board to make rules regarding fees for certain types of courses, community service courses are not included in the statute. Definitions for the MIS also have been used as a means of distinguishing between state-funded and self-supporting courses.

It is the conclusion of this report that using fee setting authority and MIS definitions is an inappropriate basis for regulating the funding status of courses. The legislature should provide the State Board with specific authority for this purpose by amending RCW 28B.50.090(7)(c) accordingly. At the same time, the legislature should support the existing State Board rule regarding fees charged for self-supporting courses by providing specific statutory language adding "community service" to the list of courses in RCW 28B.15.500. (See Appendix B for proposed amendments.)

7. Is it feasible to seek "non-formula" recognition for courses that require supplemental funding? If a review of the costs of some program indicates that formula funding is inadequate to provide the service, colleges must either find supplemental funding, attempt to contract for the full cost of the program, or seek a non-formula basis for funding. The non-formula approach would require information on anticipated enrollments and program costs sufficiently early to be included in the biennial budget request. This is not always possible.

In the case of courses provided in conjunction with other state agencies, it would be preferable for the other agency to seek the funds as part of its budget

and then contract with the college for the full cost of the program. However, if such funding is not provided or when the need for new training programs cannot be foreseen in time for inclusion in the biennial budget request, the agencies and colleges should be allowed to combine their resources.

8. What MIS changes are necessary to support closer monitoring of course funding status? The current definition of "State Funded Courses" needs to be made more explicit and expanded. It is proposed that in order for a course to be eligible for state funding, the college must pay the full cost of direct instruction (i.e., faculty salaries, supplies, and equipment) either from appropriated state funds, from the proceeds of gifts or grants from private sources pursuant to RCW 28B.50.140(13), or through supplemental or shared funding agreements.

These definitional changes would allow for discrete classification of specific courses that have extraordinarily high costs (e.g., Emergency Medical Training courses) or that involve shared funding and have been approved by the State Board. This approval, of course, would be contingent upon legislative authority to operate shared or supplementary funded courses as proposed by Recommendation #1 of this report.

9. What are the appropriate course funding status categories? The current and proposed course funding status categories are described below. Detailed definitions for the proposed categories are contained in Appendix C of this report.

Proposed	Current
State Funded	State Funded and ABE/ESL
Grant & Contract	CETA, Other Federal, Contracts
Supplemental Funding*	
Shared Funding*	
Community Service	

*Contingent upon receiving statutory authority to offer courses on that basis.

Four basic things are accomplished with the new categories.

1) The separate category for ABE and ESL would be eliminated because these

courses traditionally have been included in the "State Funded" category for fiscal purposes.

2) The separate categories for CETA, Other Federal, and All Other Contracts would be combined into the single category entitled Grants and Contracts.

3) New categories are proposed for courses authorized to use supplemental or shared funding.

4) A separate category has been added for self-supporting Community Service courses, which were previously included in the Contract category.

Supplemental and Shared Funding of Community College Courses

A survey of Washington community colleges was made as a means of determining the extent to which courses were being offered on the basis of combined state and other funding. For the most part, responses indicated relatively few instances of supplemental support. In some cases the additional support only involved the use of non-college facilities at no cost or the provision of instructional materials or supplies for specialized courses. The most prevalent example of this type of support is that provided by labor unions or apprenticeship trusts in support of the apprenticeship-related training offered by colleges pursuant to Chapter 49.04 RCW. In some instances instructional assistance is provided at no cost to the college.

Three other programs have operated with supplemental support from the Department of Social and Health Services. They are Emergency Medical Training, Foster Care and Day Care Provider Training, and educational services for residents in correctional institutions. In the latter instance, an agreement has been reached with DSHS to operate correctional programs on the basis of contracts covering the full cost of instruction. A similar arrangement now exists for the Foster Care and Day Care Provider program, with the exception of a small portion of the program for which DSHS pays only the required tuition and fees on behalf of the enrollees.

The Emergency Medical Training program continues to operate on the basis of a $45 per student subsidy for enrollees in its highly specialized, eighty-one hour course. This subsidy is based upon a cost analysis done by DSHS, Emergency

Medical Services section, that established the extraordinary costs of these programs. The subsidy, which comes from federal Highway Safety Act funds, partially covers the unusually high costs of the course that result from the requirement to utilize physicians as instructors for a significant portion of the lessons. The required curriculum for EMT recommends that 21 of the 25 lessons in the course have a physician as the "lead instructor." In addition, the program operates with a medical director, course coordinator and instructional assistants that are needed to perform the demonstrations and supervise the skill development and hospital observation requirements of the course.

Several colleges reported receipt of supplemental funding that was associated with instruction provided to individuals referred by CETA prime sponsors or subcontractors. The CETA organization pays the regular tuition and fees on behalf of the student and, in addition, reimburses the college for special support services such as providing books and supplies, as well as making the required weekly attendance reports so the CETA student can continue to be eligible for assistance.

Because its programs require instructors with unique experience and training, the Criminal Justice Training Commission has provided additional support to several colleges in the past. However, the CJTC reports that this practice has now been discontinued and it currently is either only paying the tuition and fees on behalf of the students or contracting with the colleges for the full cost of the specific program it desires to have offered.

A number of colleges reported that outside agencies had provided cost-free use of facilities to accommodate college programs. However, because facility costs are not recognized in the operating budget program for instruction, these are not considered to be instances of supplemental or shared funding of college services.

APPENDIX A

Information from Other States

The problem of determining the appropriate funding status of community college courses is not unique to Washington. In general, all states with active community college systems have difficulty in dealing with the definition of funding categories for courses because of the variety and scope of two-year college offerings. Information on this subject was obtained from state-level community college agencies of Illinois, Florida, Virginia, Maryland and California.

California. The Board of Governors of California Community Colleges were directed by that state's legislature to conduct a study related to course funding status of community college courses as a consequence of the passage of tax limitation laws. The report, which was adopted by the Board of Governors, sets forth eight "values" that it believed should be expressed in the curriculum and operations of California Community Colleges. Those values provide an instructive background for any study of community college course funding status. They are:

-Community colleges should look to the future rather than the past.

-New and developing student needs, as well as historic needs, should be served.

-Older, returning, disadvantaged, handicapped and other "special" students are as deserving of post-secondary education fitting their needs as "traditional" college students are of "traditional" college programs.

-Decisions about educational services should be made as close as possible to the point where students are served.

-Flexibility in response to diverse student needs and capabilities must be preserved particularly in reference to full-time students with transfer and occupational objectives.

-Diversity in educational practice must be preserved.

-The quality of degrees should be maintained or enhanced.

-Non-credit courses and community services should be recognized as significant and essential responsibilities of the community colleges.

The California study concluded, among other things, that the "credit or non-credit status of a course should not be used as the basis for decisions on funding or state support of the course." The criterion suggested for separating state-funded from self-supporting courses was that the latter type was "of more personal than public interest" and therefore ineligible for state support.

The course classification definitions of California and Washington are strikingly similar. Avocational and recreational courses must be included in the self-support category. California courses eligible for state support include those that are:

-Components of an organized program of study leading to an associate's degree

-Transfer to a four-year institution

-Remedial or learning skill development courses

-Compensatory courses for the educationally disadvantaged

-Adult basic education (high school completion)

-Survival skills courses such as English as a Second Language, citizenship training, courses for handicapped persons, special courses for older adults and courses that promote physical and mental health (first aid, lifesaving, CPR, disease prevention, stress management and courses covering nutrition and exercise)

-Occupational education courses leading to initial employment, supplementing skills of employed persons or for improving the skills of homemakers.

The California report also recommended that the classification decisions should be made at the college level. In Washington, the final decision about course classification is made at the State Board level after receiving an advisory opinion from a committee of college chief instructional officers.

Maryland. Regulations of the Maryland community college system allow submission of enrollments (FTEs) generated by contractual agreements, provided the colleges obtain the prior approval of the State Board. However, if the contract (or grant) is from a state or federal source, the reported enrollments are discounted by the proportion of the total costs of the course covered by the grant or contract. The Maryland State Board also reviews the classification of courses by institutions. An approved course is guaranteed state support for a period of no less than two years prior to re-examination. Courses that offer less than five contact hours of instruction are not eligible for state funding.

Virginia. The Virginia community college system utilizes a single, common catalog of courses. Colleges submit course proposals to the State Board for review and possible inclusion in the catalog. Once included, the course is eligible for state funding when offered by any of the colleges in the system.

Florida. The Florida system utilizes the federal Higher Education General Information Survey (HEGIS) classification system for identifying courses for funding purposes. There is no state-level review of institutional designations given to courses. State funding is provided for all courses classified by the colleges, other than recreational and avocational courses.

Illinois. Illinois community colleges also propose HEGIS course classifications to that state's supervising board and receive funding for any courses that receive approval. Recreational and avocational courses are ineligible. Certain physical education (e.g., tennis) and performance (e.g., dance) courses are approved for funding if, in the judgment of the State Board, they are offered in a defensible curricular context.

APPENDIX B

PROPOSED AMENDMENT TO RCW 28B.50.140(17)

(17) Notwithstanding any other provision of law, may offer educational services ((~~to an adult correctional facility operated by the department of social and health services~~)) on a contractual basis ((~~during the 1979-80 biennium~~)), charging tuition and fees as set forth in chapter 28B.15 RCW, counting such enrollments for state funding purposes, and may additionally charge a special supplemental fee when necessary to cover the full instructional costs of such services: PROVIDED, that such contracts shall be subject to review by the state board for community college education and to such rules as the state board may adopt for that purpose in order to assure that the sum of the supplemental fee and the state funding shall not exceed the projected total cost of offering the educational service;

PROPOSED AMENDMENT TO RCW 28B.50.090(7)(c)

RCW 28B.50.090 COLLEGE BOARD--POWERS AND DUTIES GENERALLY

The college board shall have general supervision and control over

* * * * * * * * * * * * * * * * *

(7) Establish minimum standards to govern the operation of the community colleges with respect to:

* * * * * * * * * * * * * * * * *

(c) the content of the curriculums and other educational and training programs, eligibility of courses to receive state fund support, and the requirements((,)) for degrees and ((~~diplomas~~)) certificates awarded by the colleges.

PROPOSED AMENDMENT TO RCW 28B.50.500

RCW 28B.15.500 GENERAL TUITION AND FEES--COMMUNITY COLLEGES

* * * * * * * * * * * * * * * * *

The board of trustees shall charge such fees for part time students, ungraded courses, non credit courses, community service courses, and short courses as it, in its discretion, may determine, not inconsistent with the rules and regulations of the state board for community college education.

PROPOSED SBCCE RULE

WAC 131-28-028 CHARGES FOR COURSES UTILIZING SUPPLEMENTAL FUNDING. (1) For the purpose of this section, the term "supplemental funding" shall mean restricted funds provided on the basis of an agreement between a college district and a cooperating agency or organization for the purpose of augmenting state fund support above the current funding level provided for particular courses, classes, or programs that have extraordinary costs and that, in the judgment of the college district board of trustees, could not be offered without such supplemental funding.

(2) College districts that desire to offer services that involve supplemental funding pursuant to RCW 28B.50.140(17) shall report such agreements to the state director within ten days of the execution of the agreement.

(3) Reports of any such agreements shall be accompanied by supporting cost information in the detail and format prescribed by the state director.

(4) The supplemental fee charged for any such services shall be retained by the college district for the purpose of supporting such services and the general operations and maintenance of the college district.

(5) Enrollments generated by courses utilizing supplemental funding shall be eligible for state fund support, subject to review and approval of the state director.

(6) Courses denied approval under this section may be considered for eligibility as a shared funding course pursuant to WAC 131-28-029.

(7) Tuition and fees for such courses, classes, or programs shall be charged consistent with WAC 131-28-025 and 131-28-026.

PROPOSED SBCCE RULE

WAC 131-28-029 CHARGES FOR COURSES UTILIZING SHARED FUNDING. (1) For the purpose of this section, the term "shared funding" shall mean funds provided on the basis of an agreement between a college district and a cooperating agency or organization for the support of particular courses, classes, or programs that have costs within current state funding levels and that, in the judgment of the college district board of trustees, otherwise could not be offered because of inadequate state funding.

(2) College districts that desire to offer services that involve shared funding pursuant to RCW 28B.50.140(17) shall report such agreements to the state director within ten days of the execution of the agreement.

(3) Requests for prior approval of any such agreements shall be accompanied by supporting cost information in the detail and format prescribed by the state director.

(4) Enrollments generated by courses utilizing shared funding shall be eligible for state funding support subject to review and approval by the state director, but shall be discounted to the proportion that the state fund support provided for the services bears to the cost of the program.

(5) Tuition and fees for such courses, classes, or programs shall be charged consistent with WAC 131-28-025 and 131-28-026.

APPENDIX C

PROPOSED MIS-2 FUND CODES, EFFECTIVE SUMMER 1981

CODE	TITLE	DEFINITION
1	STATE	Courses supported totally by college funds. To qualify as a state funded course, the full cost of direct instruction must be paid by the college either from appropriated funds or from resources obtained pursuant to RCW 28B.50.140(13), i.e., "gifts, grants, conveyances, devices and bequests of real or personal property from private sources . . ." NOTE: Also included in this category are courses supported by (1) federal vocational funds as distributed by the Commission for Vocational Education (CVE)and the SBCCE; (2) Adult Basic Education (ABE) funds; and (3) English as a Second Language (ESL) funds.
2	GRANT & CONTRACT	Courses funded totally by grants received or through contractual agreements with corporate, governmental, or private entities, pursuant to RCW 28B.50.140(16) and WAC 131-28-027; including courses funded through agreements with public school districts, pursuant to SBCCE Policy 4.50.06. NOTE: This category does not include courses supported by Federal vocational funds received through the Commission for Vocational Education (CVE).
3	SUPPLE-MENTAL	Courses that entail extraordinary costs and that are conducted by employees who are under the curricular supervision of the college, the offering of which is dependent upon augmenting state funding with restricted funds made available on the basis of an agreement with a cooperating agency or organization. NOTE: SBCCE approval is required for all FTEs produced by courses operating on the basis of supplemental funding.
4	SHARED	Courses that entail costs within current state funding levels and that are conducted by employees who are under the curricular supervision of the college, but which are supported in part by college funds and in part by funding made available on the basis of an agreement with a cooperating agency or organization and which could not be offered without such shared funding because of the unavailability of sufficient state funding. NOTE: FTEs produced by courses in this category will be discounted as provided by WAC 131-28-029. SBCCE approval is required for all FTEs produced by courses operating on the basis of shared funding.
5	COMMUNITY SERVICE	Courses that are self-supporting, pursuant to WAC 131-28-025 (3), conform to the definition of Community Service contained in WAC 131-28-021 (4), and are designated by Institutional Code "31" and HEGIS Code "6000" per MIS-2 instructions.

PROPOSED STATE SUPPORT/SELF SUPPORT CRITERIA

STATE FUNDED COURSES

1. Academic courses acceptable for completion of an associate degree and designed to be transferable to a four year institution.

2. Academic courses in the basic knowledge and skill areas of mathematics, science, social science, communications, or humanities taught for the purpose of aiding an adult to complete adult basic education, a high school diploma, or its equivalent.

3. Academic courses in mathematics, science, social science, communications, or humanities taught to aid a student to develop sufficient knowledge or skill to complete other college courses.

4. Academic courses designed to aid adults to understand themselves, their society, and the world in which they live.

5. Vocational courses designed as an integral part of an approved preparatory program.

6. Vocational courses designed to aid adults who are employed in a particular occupation to gain additional knowledge or develop additional skills related to that occupation.

7. Vocational courses designed to prepare an adult in basic home living skills, e.g., courses in parenthood, human relations, personal finance and money management, basic sewing and food preparation, basic home maintenance and improvement, and family health and first aid.

In addition to the identification of a state funded course as falling into one of the previous categories, the following additional constraints will be placed on funded courses:

1. Each state funded course has, prior to its being taught, a well-developed course outline on file in the administrative offices. There is a copy available for students.

2. Every state funded class listed or taught as a cooperative educational experience has a written set of learning objectives for the student and a written agreement between the college, the student, and the employer. The agreement is clear regarding the responsibilities of each of the three partners in the process, and there is a method for evaluation.

3. State funds shall not be claimed by a college for credits awarded to a student based on testing or prior experiential learning.

SELF-SUPPORTED COURSES

Each college, responding to its mandate to offer community service activities, will design such activities, classes, workshops, or seminars so that they will be

completely self supporting. (Ref: WAC 131-28-025) Such classes and activities will be clearly designated in all college publications and characterized by the following definitions:

1. Courses or activities designed to increase knowledge or skill related to an avocation, a hobby, or recreation.

2. Homemaking classes that go beyond the basic knowledge or skill development necessary for basic home living.

EXHIBIT 1
Resolution 81-6

DEFINITIONAL CRITERIA AND PROCEDURES FOR DETERMINING THE FUNDING STATUS OF COMMUNITY COLLEGE COURSES

I. GENERAL

All courses offered by a Washington community college must be identifiable and coded within one of the following course types:

Type		Funding Code
Fully State Funded		1
Partially State Funded	- Supplemental	2
	- Shared	3
Non-State Funded	- Grant or Contract	4
	- Community Service	5

Coding of course and sections must be consistent with procedures described in Section III below.

II. COURSE TYPE CHARACTERISTICS

A. Fully State Funded Courses (Funding Code 1)

1. The full cost of instruction is paid by the college either from appropriated or local general funds; from resources obtained through "gifts, grants, conveyances, devices and bequests of real or personal property from private sources" (ref. RCW 28B.50.140(8)); federal vocational funds allocated through the CVE and the SBCCE; or federal adult basic education (ABE) funds allocated through the Superintendent of Public Instruction, and

2. The course has a well-developed course outline on file with the appropriate administrative office of the college or, if a cooperative educational offering, a written set of learning objectives, evaluation procedures, and responsibilities of the institution, the student, and the cooperative entity, and

3. The course is conducted by employees, volunteers, or purchased service contractors who are under the curricular supervision of the college, and

4. The course is classifiable as one of the State Funded courses described in Table 1, page 3.

B. Partially State Funded Courses (Funding Code 2 or 3)

1. The course meets the criteria and definitions for a State Funded course, except that the cost of instruction is not fully paid by the college, and

2. The course is offered on the basis of a written agreement with some cooperating agency or organization that desires to share in the cost of the offering, and

3. The course is conducted by employees, volunteers, or purchased service contractors who are under the curricular supervision of the college, and

4. The course is classifiable as one of the State Funded courses described in Table 1, page 3.

C. Non-State Funded Courses, Grants and Contracts (Funding Code 4)

1. The full direct and indirect costs of the offering are paid through fees charged to a contracting entity, and

2. The course or activity is classifiable as one of the courses described in either Table 1 or Table 2, pages 3-4.

D. Non-State Funded Courses, Community Service (Funding Code 5)

1. The full direct and indirect costs of the offering are paid through fees charged to students enrolled, and

2. The course provides learning experiences and activities that are essentially recreational, hobby or avocational in nature as listed in Table 2, page 4.

Table 1

ACADEMIC AND VOCATIONAL COURSES
ELIGIBLE FOR STATE FUNDING

COURSE TYPES	DEFINITION	EXAMPLES
Academic Transfer	Academic courses acceptable for completion of an associate degree and designed to be transferable to a four-year institution.	Traditional liberal arts, sciences, physical education, mathematics
High School Completion	Academic courses in the basic knowledge and skill areas of mathematics, science, social science, communications, or humanities taught for the purpose of aiding an adult to complete adult basic education, a high school diploma, or its equivalent.	Traditional secondary school subject matter as approved by the Superintendent of Public Instruction
Developmental Education	Academic courses in mathematics, science, social science, communications, or humanities taught to aid an adult to develop sufficient knowledge or skill to complete other college courses.	Remedial English, mathematics, and writing courses; study skills; group guidance courses designed to remove barriers to effective learning
Adult General Education	Academic, college level courses that deal with psychological, social, political, and economic subjects of interest to an informed citizenry.	State Government, Cities in Transition, "Free to Choose," Understanding Human Behavior
Vocational Preparatory	Vocational courses designed as an integral part of an approved preparatory program.	Dental Hygienist, Nursing, Auto Mechanics, Diesel Tech.
Vocational Supplementary	Vocational courses designed to aid adults who are employed in a particular occupation to gain additional knowledge or develop additional skills related to that occupation. These courses are also for those adults who need refresher training in order to re-enter the working world.	Emergency Medical Training, Real Estate License Renewal, Nursing Refresher
Vocational Homemaking	Vocational courses designed to prepare an adult in basic home living skills.	Parenting skills, Money Management, Basic Sewing, Food Preparation

Table 2

COMMUNITY SERVICE COURSES

NOT ELIGIBLE FOR STATE FUNDING

COURSE TYPES	DEFINITION	EXAMPLES
Avocational	Classes or activities related to occupations but not designed to be occupational preparatory or supplementary.	Flower Arranging, Growing House Plants, Wall Papering, Horse Care, Animal Grooming
Hobby	Classes or activities related to particular hobbies or personal interests.	Coin Collecting, Stamp Collecting, Amateur Radio, Toymaking, Fishing
Recreational	Classes or activities related to pastimes and interests associated with leisure pursuits.	Family Swim, Navigation for Small Boat Owners, Snowmobiling
Homemaking, Advanced	Classes or activities related to homemaking skills that exceed those needed for basic home living.	Fur Remodeling, Sewing for Christmas, Foreign Cooking, Quiltmaking, Knitting
Arts & Crafts	Classes or activities related to creative projects that do not have particular application to academic programs or degrees.	Ceramics for Fun, Driftwood Sculpture, Macrame for Home Decoration, Cartooning
Entertainment	Activities, seminars, and public events designed primarily for entertainment purposes.	Travel Film Series, Dungeons and Dragons, Beginning Bridge Howard Cosell Lecture

III. PROCEDURES FOR DETERMINING FUNDING CODE STATUS

1. Assignment of Funding codes will be made by the college. Codes for courses offered on the basis of Supplemental (Code 2) or Shared (Code 3) funding will be confirmed by the State Director upon submission of the information required by item 4 below.

2. The Institutional Effort (HEGIS) code is assigned by the State Director.

3. The State Director will conduct periodic reviews of the Funding code assignments of existing courses.

4. Assignment of Funding codes to partially funded courses (Supplemental or Shared) shall be conducted in the following manner:

a. The college prepares a budget covering the offering and describing the anticipated expenditures and the proposed share to be paid by the cooperating agency or organization.

b. Within ten days following execution of the agreement to conduct a Supplemental or Shared funded course, the college provides the State Director the following materials:

i. a description of the proposed offering
ii. a copy of the funding agreement
iii. a proposed budget
iv. a justification statement

c. If it is determined that the college's portion of the anticipated expenditures is generally equivalent to the level of funding normally provided for that type of course, the course will be coded as a Supplemental funding course and will be eligible to receive enrollment credit for its total FTE production.

d. If it is determined that the college's portion of the anticipated expenditures is less than the level of funding normally provided for that type of course, the course will be coded as a Shared funding course and the FTE production of the course will be discounted by a percentage equal to the amount the cooperating agency's funding share bears to the total cost of offering the course.

5. A review committee composed of representatives of WACCP, Instruction Commission, Business Affairs Commission, and SBCCE will be constituted to advise on any procedural and definitional changes utilized for this purpose.